

ADM-15.15, "Moveable Fixed Assets Accounting,"

SCDC POLICY/PROCEDURE

NUMBER:ADM-15.15

TITLE:MOVEABLE FIXED ASSETS ACCOUNTING PRACTICES

ISSUE DATE: OCTOBER 1, 2011

RESPONSIBLE AUTHORITY:DIVISION OF FINANCE

OPERATIONS MANUAL: ADMINISTRATION

SUPERSEDES: ADM-15.15 (June 1, 2007); (October 1, 2002)

RELEVANT SCDC FORMS/SUPPLIES: 20-14-A/B, 13-1, 13-6, 20-14

ACA/CAC STANDARDS:4-ACRS-7D-25, 4-4037

STATE/FEDERAL STATUTES: NONE

PURPOSE:To comply with State and Federal statutes, regulations, and guidelines governing the accounting for acquisition, transfer, and disposal of all moveable fixed assets.

POLICY STATEMENT: To promote accountability of moveable fixed assets, all items procured, and all equipment, tools, furniture, fixtures, and vehicles will be accounted for utilizing sound fiscal procedures and in compliance with specified record and control methods. (4-ACRS-7D-25, 4-4037)

TABLE OF CONTENTS

1. RESPONSIBILITY
2. RECORDING A MOVEABLE FIXED ASSET
3. TRANSFERRING MOVEABLE FIXED ASSETS
4. DISPOSAL OF MOVEABLE FIXED ASSETS
5. INVENTORY/AUDITS
6. DEFINITION

SPECIFIC PROCEDURES:

1. RESPONSIBILITY: The Division Director of Finance will promulgate procedures for accountability of the Agency's moveable fixed assets regardless of fund source and will ensure that:

1.1 all property having a value of \$1,000 or more is entered into the computerized system, a decal assignment sheet is generated, and the decal assignment sheet and decal are forwarded to the responsible Fixed Asset Custodian;

1.2 The Division of Resource and Information Management (RIM) will:

1.2.1 approve/disapprove procurement requests for all property which is considered Information Technology (IT) equipment in accordance with SCDC Policy ADM-15.03, "Processing Request for Automated Application, Information Technology, Audiovisual Equipment, and Communications Equipment";

1.2.2 ensure that all IT assets are entered into the IT asset database and are assigned an IT asset decal;

1.2.3 approve/disapprove all IT asset movements requested, in accordance with SCDC Policy ADM-15.03, "Processing Request for Automated Application, Information Technology, Audiovisual Equipment, and Communications Equipment" and document IT asset movements and enter into the IT asset database;

1.2.4 conduct periodic physical IT asset inventories;

1.2.5 conduct periodic inspections/reviews of personal computer IT assets, usually in conjunction with the management review process, and;

1.2.6 obtain approval from the State Surplus Property Office (SSPO) prior to the disposal of IT assets.

1.3 The Accountant for Fixed Assets, Division of Finance will:

1.3.1 ensure all property having a value of less than \$1,000 which is considered to be a sensitive item is entered into the computerized system (i.e., weapons and communications equipment). The decal assignment sheet and decal are forwarded to the responsible Fixed Asset Custodian;

1.3.2 make sure all property that is covered by 1.1 and 1.3 above, is identified and coded properly;

1.3.3 complete all applicable financial reports;

1.3.4 enter all write-offs into the system;

1.3.5 document movements and enter into the computerized system;

1.3.6 ensure SCDC Forms 13-6, "Fixed Asset Update," and 20-14, "Surplus/Salvage Turn-In Document," are approved/disapproved;

1.3.7 make sure Division and Institution property inventories are conducted; and

1.3.8 make certain property disposal is handled as prescribed by federal and state statutes.

1.4 Division/Institution Responsibilities: Every Division/Institution must designate at least one (1) employee and one (1) alternate employee as the Fixed Asset Custodian. The Fixed Asset Custodian will serve as the liaison between the Division/Institution and the Division of Finance. The Fixed Asset Custodian will:

1.4.1 ensure decals are placed on new equipment and/or, where necessary, that decal numbers are engrave on equipment, (i.e., all kitchen equipment);

1.4.2 provide identifying information (i.e., serial numbers, model, make) to the Division of Finance;

1.4.3 complete and forward request for disposal of property to the Division of Finance, using SCDC Form 20-14, "Surplus/Salvage Turn-In Document";

1.4.4 report all property movement to the Division of Finance, using SCDC Form 13-6, "Fixed Asset Update";

1.4.5 ensure that SCDC Form 13-6 has proper signatures and is forwarded to the Division of Finance;

1.4.6 maintain a copy of SCDC Form 13-6;

1.4.7 conduct fixed asset inventory(ies) as directed by the Accountant for Fixed Assets, Division of Finance;

1.4.8 coordinate the fixed asset physical inventories and any other audits required. (4-ACRS-7D-25, 4-4037).

Divisions and Institutions are responsible for submitting an SCDC Form 13-1, "Information Technology Request," to the Division of Resource and Information Management (RIM) to request information technology equipment procurements, movements, or disposals in accordance with SCDC Policy ADM-15.03, "Processing Requests for Automated Application, Information Technology, Audiovisual Equipment, and Communications Equipment."

2. RECORDING A MOVEABLE FIXED ASSET: The Accountant for Fixed Assets, Division of Finance, will review all shopping carts with an account assignment of "UA" (Unknown Asset) to determine which items should be identified as moveable fixed assets.

2.1 All moveable fixed assets purchased through SCDC will automatically have an asset record created that includes:

- original purchase date, original purchase price, purchase order number;
- current adjusted value;
- depreciation and depreciated value;
- fund source, cost center, functional area, (Original codes must be maintained for historical and audit purposes.)
- current facility and location code; and
- asset description.

2.2 An asset record is not created by the purchasing/accounting system for moveable fixed assets that are purchased as part of a capital project, are purchased with special funds, and/or are donated assets. The Accountant for Fixed Assets, Division of Finance will be responsible for entering the information in 2.1, above, into the automated system to account for moveable fixed assets that are purchased as part of a capital project, are purchased with special funds, and/or are donated assets.

2.3 A decal number will be assigned by the automated system to each moveable fixed asset added to the system. The Accountant for Fixed Assets, Division of Finance, will be responsible for printing a decal assignment sheet for each moveable fixed asset and sending the decal assignment sheet and the corresponding decal to the Fixed AssetCustodian.

### 3.TRANSFERRING MOVEABLE FIXED ASSETS:

3.1 Fixed assets may be transferred within a Division/Institution on the authority of the responsible Division Director/Warden, who will ensure that the Fixed Asset Custodian submits all appropriate documentation and information necessary to complete the transfer. The Fixed Asset Custodian will forward all documentation to the Accountant for Fixed Assets in the Division of Finance who will make the requested changes. A completed SCDC Form 13-6 will accompany all location to location transfers.

3.2 Transfers between Divisions/Institutions must be reported to, and approved by the Accountant for Fixed Assets. The losing Division/Institution will complete SCDC Form 13-6 and forward it to the gaining institution for signature and ensure it is forwarded to the Division of Finance.

3.3 Moveable fixed assets will be transferred from one (1) location code to another at the current adjusted value. If a moveable fixed asset is transferred that has been depreciated, it must be transferred at the book value, cost less depreciation.

3.4 The accountant for Fixed Assets will make the needed changes and corrections.

### 4. DISPOSAL OF MOVEABLE FIXED ASSETS

4.1Property designated for disposal and items being cannibalized (used for parts) must be reported to the Accountant for Fixed Assets, on SCDC Form 20-14A/B, along with SCDC Form 13-6. The Accountant for Fixed Assets will obtain the approval of the State Surplus Property Office (SSPO) prior to disposal of any fixed assets and/or remaining parts.

4.2 When the SSPO approves the disposal of amoveable fixed asset,the SSPO will forward a State Surplus Property Form (Form #1), "Turn-In Document (TID) Surplus Property," to the Accountant for Fixed Assets, who will make the required entry into the automated fixed asset system.

4.3 See SCDC Policy/Procedure ADM-16.10, "Surplus Property Disposal," for complete procedures.

4.4 Unauthorized/Improper Disposal:

4.4.1 If after a thorough search, a fixed asset can not be located, the DivisionDirector/Warden will prepare a written document, printed on letterhead describing the following:

- the facts and circumstances surrounding the loss; and
- corrective action taken to prevent recurrence.

4.4.2 The letter will be processed through the appropriate Deputy Director through the Deputy Director of Administration, to the Agency Director. The letter will then be sent to the Accountant for Fixed Assets who will forward it to the State Surplus Property Office (SSPO) for the final approval prior to write off.

5. INVENTORY/AUDITS:

5.1 The Division of Finance will ensure that a physical inventory of all Agency moveable fixed assets is conducted annually. Depending on the number of assets assigned, the Division/Institution inventories will be conducted of approximately 10% per month basis. The percentage of assets tested may increase at the discretion of the Division Director of Finance. Verifications will be conducted July through April thus completing 100% verification each year. A monthly report will be forwarded to the Division of Finance, listing any discrepancies, by the date designated by the Accountant for Fixed Assets.

5.2 The Accountant for Fixed Assets will:

5.2.1Distribute the fixed assets inventory printout monthly to the Fixed Assets Custodian at each Division/Institution.

5.2.2 Make all necessary changes and corrections.

5.3 The Fixed Assets Custodian will:

5.3.1 Conduct an audit of approximately 10% of the moveable fixed assets of Divisions/Institutions.

5.3.2 The Fixed Assets Custodian will physically verify that each asset assigned to his/her Division/Institution exists and that it is in the correct location, has a SCDC decal number affixed and/or engraved on it and it reflects the correct serial number.

5.3.3 The Fixed Assets Custodian will prepare a report to the Accountant for Fixed Assets discussing assigned assets with emphasis on discrepancies found.

5.3.4 Forward copies of all documents to Accountant for Fixed Assets necessary to correct any discrepancies.

5.4 The Division Director of Finance may perform periodic audits of moveable fixed assets at randomly selected Divisions/Institutions during which approximately 100% of all moveable fixed assets will be tested. The Division Director of Finance will schedule these periodic audits.

5.5 The Division Director of Finance may schedule and perform any other audits deemed necessary.

## 6. DEFINITIONS:

Moveable fixed assets refer to all property, to include equipment, tools, furniture, fixtures, and vehicles, with a purchase price of \$1,000 or more and a useful life of one (1) year or more. Moveable fixed assets also include weapons, communications equipment, and items bought with special grant funds regardless of cost.

Information Technology assets refer to personal computer hardware and accessories, printers, digital cameras, scanners, fax machines, computer terminals (CRTs), videoconferencing equipment, multi-function printer/copier/fax machines, and other computer network devices.

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s/ Robert E. Ward, Acting Director

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